

REFERENCE

June 22-92

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HOW THE

HUDSON'S BAY RAILWAY

SCHEME

HAS BEEN

DEALT WITH

BY THE

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H847 Greenway Government.

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PLATFORM.

Opposition Platform adopted by Convention.

The following is the Opposition platform adopted in convention of the candidates opposed to the Greenway Government held in Winnipeg, on May 30th, 1892:—

FINANCIAL POLICY.

The finances of the province should be husbanded to the fullest possible extent consistent with an efficient administration and the requirements of a rapidly expanding country. The country should be kept fully informed as to the exact condition of our financial affairs through a plain, honest statement by the provincial treasurer made once a year to the legislature.

ELECTION LAW.

An election law which will insure the franchise to every duly qualified elector, and which will prevent the possibility of the party in power unfairly using it to the disadvantage of those in opposition. The system to be inexpensive, simple and efficient, coupled with revision of the voters' list by the judges.

ELECTORAL DIVISIONS.

A redistribution of the electoral divisions having due regard to population, territory, and more particularly, identity of interests.

RAILWAY POLICY.

1st. A railway policy which will secure the introduction of such other railways into the province as will ensure actual competition in the carrying trade of the province and thus reduce the freight rates on grain products to a fair and reasonable basis.

2nd. The giving of aid to all colonization roads more especially to one calculated to serve the Lake Dauphin district, and to one securing a direct route from Winnipeg to Duluth.

3rd. No aid to be given to any professedly competing road without definite arrangements and sufficient guarantees for actual and substantial reduction in freight rates.

HUDSON'S BAY RAILWAY.

The natural outlet for the principal products of the province of Manitoba is by way of the Hudson's Bay; therefore a Hud-

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son's Bay railway should receive the loyal support of the province and its Government so as to ensure its early construction and operation.

SCHOOL POLICY.

The Opposition hereby declare:

1. That they are in favor of one uniform system of public schools for the province.

2. That they are ready and willing to loyally carry out the present school act—should it be held by the judicial committee of the Privy Council of Great Britain to be within the legislative power of the province.

3. That in the event of such school act being held by the judicial committee of the Privy Council of Great Britain to be beyond the legislative power of the province; then they will endeavour to secure such amendments to the "British North American Act" and the "Manitoba Act" as will place educational matters wholly within the legislative power of the Province of Manitoba without appeal to Governor-General-in-Council or the Parliament of Canada.

IMMIGRATION.

An immigration policy which will secure to the province her just proportion of European emigrants as well as those from the older provinces of Canada and the United States.

MUNICIPAL COMMISSIONER.

Such amendments to the acts affecting the municipal commissioner as will prevent the incumbent of that office from interfering in an arbitrary and unjust manner with the municipal institutions of the province.

MUNICIPAL ACT.

Simplification of the municipal act so as to secure greater efficiency with less expense.

RELIEF TO MUNICIPALITIES.

The equitable relief of such municipal corporations as have incurred liabilities for the construction of colonization railways in the province.

CONTRACTS.

The contracts for all public works and public supplies to be awarded to the lowest bona fide tenderer.

WORKMAN'S ACT.

A workman's compensation act on lines similar to the acts now in force in Great Britain and Ontario.

T. H. GILMOUR,
Secretary.

ROBT. ROGERS,
Chairman

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The Hon. Thomas Greenway took office in 1888. There is no question of greater importance to a new country than the construction of railways, and no matters have been more recklessly and dishonestly dealt with by the Greenway Government than this. The building of a railway from Winnipeg to Duluth, and Winnipeg to Hudson's Bay, both schemes of vital importance to the Province, have been kept back by the policy of the Government which was all for the Northern Pacific.

HUDSON'S BAY RAILWAY.

It is needless here to enter into the question of the advantages the building of this road would give to the Province. Dr. Bell in reply to a question put to him before the Select Committee appointed by the House of Commons in 1884 said:—

"I think the advantage to Canada and North-West in particular would be very great indeed. The cost of the transport of wheat for example to the markets of the world, is reduced to the very lowest point by competition with all the world, and consequently if our wheat regions of the North-West are labouring under disadvantages as far as carriage is concerned, the price of wheat must necessarily be reduced to meet this want of competition.

Competition is wanted for carrying our wheat, cheaper freights on the carriage of it would bring bigger profits to the farmers. What has the Greenway Government done to build a road to Hudson's Bay? During the session of 1886, Mr. Greenway moved the following resolution:—"That whereas the Hon. John Norquay, premier of Manitoba stated in a speech made at Emerson, that the time had not yet arrived when the construction of a railway to the Hudson's Bay is a necessity." Be it resolved, that in the opinion of this House the very first opportunity should be taken to repudiate such an assertion, and to declare that the construction of the said railway, *at the very earliest possible date is a matter of the most vital importance* to the people of Manitoba and the North-West."

Mr. Greenway therefore in 1886 considered the road of the most vital importance, and his pretended interest in the scheme continued until March 29th, 1888, when he gave Mr. Hugh Sutherland the following letter:

WINNIPEG, March 29th, 1888.

"To whom it may concern:—

The bearer, Mr. Hugh Sutherland, president of the Winnipeg and Hudson Bay railway company, visits New York on business connected with his company.

"I feel warranted in stating that the building of a railway to the Hudson Bay is of paramount importance to the people of Northwest Canada, and as an expression of their confidence in the soundness of the undertaking the Legislature of Manitoba unanimously passed an act guaranteeing interest for twenty-five years on \$4,500,000 of the bonds of the company to aid in the construction of the railway.

"Mr. Sutherland is well known here in connection with the great enterprise as a gentleman of integrity and ability.

"(Signed) THOS. GREENWAY.

"Premier of Manitoba."

With this credential Mr. Ross of Messrs. Ross & Onderdonk went to England, and his success can be gathered from the following letter written Sept. 12th, 1888, and addressed to Mr. Greenway.

"Relying on these assurances our Mr. Ross proceeded this summer to England, and when there made arrangements with capitalists and bankers of the highest standing to supply the capital necessary for the construction of the line to Hudson Bay. The foundation of these arrangements was the guarantee to the extent of \$4,500,000 sanctioned by the Legislature and approved of by yourself. Mr. Ross requested the banks to make their own inquiries as to the position of the Manitoba guarantee, and was informed in England that a satisfactory reply had been received from your Government.

What occurred next will best be told by the same letter:

"Mr. Ross completed his arrangements in England and hastened to Winnipeg to meet the Government, when he was met with the statement, made to us for the first time, that the Government was contemplating a recommendation to the Legislature to reduce the guarantee from \$4,500,000 to \$2,500,000, and further that your Government desired to give the \$35,000 voted for the completion of the forty miles."

This sudden change of policy had the effect of not only destroying the arrangements of the contractors and promoters, but had a great tendency to destroy the credit of the province in the money markets of the world. Messrs. Ross and Onderdonk desirous of bringing matters to a head made the following offer as an alternative to the Government:—

"Provided your Government will make the Guarantee act passed in 1887 effective to the full amount of \$4,500,000, we now definitely offer to construct and equip a railway from Winnipeg to Hudson Bay according to the requirements of said act, and that such railway shall be constructed and in operation within two and a half years from this date * * *

if, however, you think there should be a delay to still further consider the application of the present guarantee act, we are willing to fall in with your views to such an extent as is possible without jeopardizing the future of the enterprise and destroying the financial arrangements already made in Europe by Mr. Ross, and that no further time may be lost in carrying forward the works, we make the following alternative proposal: Without withdrawing our offer of at once undertaking the completion of the all-rail route from Winnipeg to Hudson Bay, we will, if the Government will agree not to interfere with the guarantee act passed by the Legislature for \$4,500,000, undertake (here follow the details of the offer to build to the Narrows, more briefly stated in the letter of the 26th September, written by Mr. Ross and Onderdonk and addressed to Mr. Martin as Railway Commissioner, as follows: "Our alternative offer means that for the advance by the Government of \$419,000 we furnish a complete and equipped line of 100 miles in length, on the way to Hudson Bay and immediately reaching an important point for lumber and cordwood traffic, besides developing a tract of land known to be valuable for pastoral and agricultural purposes. We obtain as subsidy from the Government 640,000 acres of land within the limits of the province. If this is not good security Manitoba is not a country where railways should be built.")

Mr. Martin in reply to Messrs. Ross & Onderdonk's alternative explained the position of affairs as viewed by the Government. In his letter he pretended that owing to the negation of monopoly, and the deal with the Northern Pacific there was not the same necessity for the Hudson Bay Railway. The annual liability on the original guarantee was \$180,000 which the Government was willing to pay for competition. \$80,000 of this amount has since been pledged to the Northern Pacific. Thus arguing Mr. Martin at length comes to the point:—"In view of the above circumstances the Government has come to the conclusion that the amount of the guarantee should be reduced to \$2,500,000, and we are willing to enter into arrangements by which that guarantee will be secured to the company," etc."

Mr. Ross & Onderdonk replied as follows:—"You state the Government is willing to incur an annual liability of \$180,000 for twenty-five years, provided this insures the railway proposed by the Northern Pacific scheme and also the Hudson Bay route. We are confident from our experience that such lines as the Red River Valley, the Portage la Prairie and the Brandon branches should not cost the province a sixpence, and

the liabilities involved in the Northern Pacific proposals are totally unnecessary. The Winnipeg and Hudson Bay railway must reach the wheat fields of Minnesota, Dakota and other Northern States, and this can best be done by the Red River Valley railway; its system must also cover Southern Manitoba and important points like Brandon and Portage la Prairie. In order to secure these connections and meet your views in regard to the limit of liability that the province should assume we make the following proposal: We will undertake that the reduced guarantee of \$2,500,000 will suffice for the construction of the Hudson Bay railway to Hudson Bay, if you will make with us and our associates the agreement you propose to make with the promoters of the Northern Pacific scheme. We make this offer for the benefit of the Winnipeg and Hudson Bay railway company, but until it is in a position to accept it we will personally undertake the obligations of the agreement in reference to the proposed lines and will agree to construct, equip and operate them, as set forth in proposed agreement. *We will further undertake that running powers over the Red River Valley railway and the Portage la Prairie and Brandon branches should be given to the Northern Pacific, and St. Paul, Minneapolis and Manitoba, and to any other railways coming to the boundary, on equal terms and without discrimination; in fact, will open these lines to all so as to ensure competition. As an earnest of our ability to do this and proof of our good faith, we will undertake to give security to any reasonable amount satisfactory to the Government's bank. We are enabled to make this offer, after consultation with our associates, because the profits and advantages arising from the proposed Northern Pacific agreement, more than counter-balance the proposed diminution of the guarantee."*

Here was the opportunity to secure the Hudson's Bay Railway and the Northern Pacific for the price originally voted for one; that this offer was refused is sufficient evidence in itself that the Government never intended to do anything but to destroy the scheme in order to give meat to the Northern Pacific.

And their course since then can be best seen from the following acts passed by the Government.

Chap. 39, Vict. 52.—Her Majesty with the advice and consent of the legislative assembly enacts as follows:—

Chapter 40 of 50 Victoria being an act to provide for the granting of aid to the Winnipeg & Hudson's Bay Railway and Steamship Company is hereby repealed but such repeal

shall not have the effect of reviving any statutes repealed by said chapter 40.

Thus showing that Mr. Martin's statement as shown in the above correspondence was false. However, forced by public opinion in 1890 they passed Chap. 41, Vict. 53, which is:

"The Lieutenant-Governor-in-Council may enter into an agreement with the Winnipeg & Hudson's Bay Railway Company to aid said company in a sum not to exceed \$3,000 per mile, as a cash bonus for that portion of the main line of said railway within the limits of the Province, not exceeding in all 250 miles. Such aid shall only be paid upon completion and operation of a railway from some point in the Province to Hudson's Bay.

And again in 1891 finding the mutterings of discontent at their attempt to destroy the Hudson Bay Railway they passed Chap. 22, Vict. 54, which provides:

"Whereas the Winnipeg & Hudson's Bay Railway Company is authorized to build a railway from the city of Winnipeg to Hudson's Bay, and has partially constructed 40 miles of the said railway.

"And whereas the Government of Manitoba have agreed to give the Winnipeg & Hudson's Bay Railway Company by and under the agreement in the Schedule to this act set forth and upon the conditions herein and in the said Schedule set forth, the sum of one million five hundred thousand dollars (\$1,500,000), and it is expedient to provide for carrying the said agreement into effect, etc.

The Government thinking that they had succeeded in side-tracking the scheme and at the same time in quieting public opinion have done nothing since for the road and after the election will repeal the act of 1891 as they did that of 1887 after they had carried the elections by making it a plank in their platform. Now let us see what the Norquay Government did for promoting the scheme. On January 29th, 1884, the late Mr. Norquay wrote to the Secy. of State for Canada as follows:

The opinion is fast gaining ground that the Hudson's Bay and Straits are navigable all the year round, that, in fact, the most difficult season to navigate these waters is that of the months of July and August, the interval in which the Hudson's Bay Company's wooden sailing vessels have been accustomed to successfully import the goods and export the furs of the said Company for two hundred years, with a smaller rate of casualties than that attendant upon any other line. The material results that would follow an authoritative solution of the question of the navigation of these waters, as well as the

interest taken in the development of the Hudson's Bay Railway scheme by the people of Manitoba and the North-West, impel me to urge upon the Government the expediency of at once directing some vessel now ready for sea at Halifax, or some other Atlantic port, to proceed by the way of Hudson's Bay Straits into Hudson's Bay, to the neighborhood of Fort Churchill on the West coast, and return and report to Parliament before the close of the present session, which voyage, I am credibly informed, can be performed within a space of three or four weeks.

But previous to this in March, 1883, Mr. Norquay reported to the Lieut.-Gov.-in-Council as follows:—

The undersigned would also again urge the desirability of extending the Province of Manitoba as far west as the one hundred and second meridian and northerly to Hudson's Bay.

While at Ottawa in January, 1884, Mr. Norquay brought the Hudson's Bay question forward, so that on Feb. 11, 1884, the House of Commons ordered:—"That a select committee be appointed to take into consideration the question of the navigation of Hudson's Bay."

This committee reported as follows:—

"To declare that it will be time enough to pay attention to the question of navigating Hudson's Bay when railways become insufficient to move the traffic of the North-West appears to us to be an erroneous view to take of the matter, what we have to do is to promote production by offering to it new and more favourable conditions.

"There also results from the evidence gathered by your committee, a necessity for the Government to examine a great number of questions intimately connected with the navigation of Hudson's Bay and Strait.

"Without the intervention of the State, this navigation will remain what it is at the present moment, uncertain, of short duration without any attraction for capitalists. In this direction several have set forth their opinions as to the nature of the examinations, which the Government might have made, and as to the organization and character of a proposed surveying and exploring expedition.

"They almost all agree in stating, that these observations should cover a period of at least three years, and should be conducted by means of observatories erected on the shores of the Strait, as well as on certain places on the coast of Hudson's Bay." (Vol. 18, appendix 2, page 7, Journals of H. of Commons.) And the result was the formation of the

Hudson's Bay Expedition. Mr. Norquay on his return from Ottawa in March 18th, 1884, moved in the Legislature:—

"That a select committee be appointed to procure and if deemed advisable to publish evidence on the practicability of the establishment of a system of communication with the Province *via* Hudson's Bay." The committee after taking evidence reported as follows:—

"Your committee has, therefore, no reason to doubt that a "railway from thence to Hudson's Bay will prove a successful "and remunerative undertaking, and are satisfied that such "an outlet will do more to stimulate production in this "province than any other enterprise." (Page 56, Report of Select Committee, presented by Hon. C. P. Brown, 1884.

Mr. Greenway who always claimed to take such an interest in the question was on this committee and only attended one sitting out of eleven. Though doubtless he did not mention this on the public platform. On the strength of this report the Norquay Government passed in 1885 a bill, giving aid to the amount of one million. This being found insufficient they passed a bill in 1886 granting aid by guaranteeing interest on \$4,500,000 and in 1887 they revised this act, while in 1886 they gave aid to the extent of \$6,400 per mile on the 40 miles built in that year. Mr. Greenway when attacking Mr. Norquay on March 24th, 1886, was delighted to say:—

"That whereas, the Hon. John Norquay, Premier of Manitoba stated at Emerson, that the time had not yet arrived "when the construction of a railway to the Hudson's Bay is "a necessity.

"And whereas such a statement from a gentleman occupying "the prominent and authoritative position of Premier of this "Province, if allowed to pass unchallenged would have a "tendency to jeopardize the scheme now in a fair way to "succeed."

"Be it resolved, that in the opinion of this house the very "first opportunity should be taken to repudiate such an "assertion, and to declare that the construction of said railway "at the very earliest date, is a matter of the most vital "importance to the people of Manitoba and the North-West." (Page 55, Journals of Manitoba Legislature, 1886.)

He has now with his vacillating hypocrisy destroyed by his refusal of Messrs. Ross and Onderdonk's offer the certainty of the road being actually completed in March, 1891. (See Ross and Onderdonk's offer) Mr. Norquay never said more than what he believed and which he adhered to; he never was so positive as Mr. Greenway, he did not shout, but he never had

the advantageous offer of Messrs. Ross and Onderdonk. By examining the actions of the late and present Premier, one can easily see who had the work at heart. The present Government after doing all they could to kill the scheme have voted aid for the railway under pressure, still they try to kill it by a member of the Government on March 25, 1890, saying: "He was willing to stake everything and take the responsibility than support a scheme whose success was not certain."

This coming from a Minister of the Crown would naturally frighten English capitalists. It is a direct attack on the road to Hudson's Bay while Mr. Norquay's words at Emerson were intended to prevent a damage being done the Province should the road not be built as soon he and all desired. He did not rant that it was a "vital necessity," but he gave it practical support. Before ending this paper I would quote from the pamphlet of a true Liberal, James Fisher, M. P. P., for Russel—referring to the Ross and Onderdonk offer:

THE LOST OPPORTUNITY.

I felt very strongly then, and have felt ever since, that the one and only opportunity that has ever been presented to the Province, of securing, without doubt, the construction of that much desired highway, was thrown away by the then attitude of the Government towards the scheme. Never before and never since, so far as the public have learned, has there been any evidence that the promoters of the road have succeeded in making such financial arrangements as would ensure their ability to construct it. There was evidence at that time, as I think, that arrangements could have been completed on the basis of the smaller grant mentioned.

Had Mr. Norquay remained in power before now the words used on the Hudson Bay question in 1883 would be accomplished:—"For the man who is able, amidst the difficulties, dangers and the opposition which he will surely meet, to bring about the result of a road being built from Winnipeg to Churchill, a future is open such as few men are able to grasp in the history of the world. He will by his act change the trade of Western America and develop it through his province to a new seaboard."

Mr. Greenway's love of deception has prevented their applying to him.